

APPENDIX K

NEW YORK EMBARKATION POINT AGREEMENTS

Current License Agreement

Current License Extension

NPS Letter Requesting Additional Extension

MOU for Future Agreement



City of New York
Parks & Recreation

Betsy Gotbaum
Commissioner

The Arsenal
Central Park
New York, N.Y. 10021

Marjorie A. Cadogan
General Counsel

LICENSE AGREEMENT

between

CIRCLE LINE STATUTE OF LIBERTY FERRY, INC.

and

**CITY OF NEW YORK
PARKS & RECREATION**

Dated: *Dec. 8, 1992*



City of New York
Parks & Recreation

Betsy Gotbaum
Commissioner

KFB
WM
The Arsenal
Central Park
New York, N.Y. 10021

Marjorie A. Cadogan
General Counsel

February 19, 1993

Mr. Joseph A. Moran
Circle Line - Statue of Liberty Ferry, Inc.
17 Battery Place, Suite 715
New York, New York 10004-1102

Re: Circle Line Statue of Liberty
Ferry in Battery Park

Dear Mr. Moran:

I am writing to confirm our recent conversation regarding the dating of new License Agreement for operation of the above-referenced concession. The executed copies you have in your possession should be dated "as of" April 1, 1992 to bring the term of this License into alignment with your agreement with the Federal government.

As always, if I can be of any further assistance, please do not hesitate to contact me.

Sincerely,

Elizabeth B. Okin
Assistant Counsel

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LICENSE AGREEMENT made this 8th day of October 1992, between the City of New York (the "City") acting by and through Betsy Gotbaum, Commissioner of the Department of Parks and Recreation ("Commissioner" and "Parks", respectively), whose address is The Arsenal, Central Park, New York, New York 10021, and Circle Line Statue of Liberty Ferry, Inc. ("Licensee"), a corporation organized under the laws of the State of New York, whose address is 17 Battery Place, Suite 715, New York, New York 10004-1102:

W I T N E S S E T H:

WHEREAS, Parks, pursuant to law, has jurisdiction over parks of the City of New York including Battery Park in the Borough of Manhattan; and

WHEREAS, Licensee currently operates a commercial ferry service for the transportation of passengers between Battery Park and Liberty Island and Ellis Island pursuant to authorizations from appropriate Federal, State and City agencies; and

WHEREAS, in connection therewith, Commissioner desires to provide certain services and facilities for the accommodation and convenience of the public and Licensee desires to operate

and maintain same;

WHEREAS, Parks has complied with the requirements of the Franchise and Concessions Review Committee ("FCRC") for the selection of concessionaires and has received authorization to enter into a sole source concession agreement with Licensee pursuant to the rules of the FCRC.

NOW THEREFORE, in consideration of the premises and covenants contained herein, the parties hereto do agree as follows:

ARTICLE I
GRANT OF LICENSE

1.0 Commissioner hereby grants to Licensee and Licensee hereby accepts from Commissioner this License to:

a) Maintain, repair and operate the Licensed Premises, which is comprised of landing and docking facilities, more particularly described in Article II herein, for the purpose of embarking and discharging passengers in the operation of passenger ferries on a regular schedule between Battery Park, Liberty Island and Ellis Island, and for the purpose of embarking and discharging passengers of vessels on sightseeing cruises, other ferry operations and day and night charters of

vessels owned, operated or chartered by the Licensee;

b) Maintain the entire Licensed Premises;

provided Licensee obtains all necessary approvals, permits, and other licenses required by Federal, State and City laws, rules, regulations and orders. In order to be in compliance with this License Agreement, Licensee must fulfill the obligations contained within this Article I. Commissioner may deem a default Licensee's failure to provide said services, for any reason.

ARTICLE II

DEFINITIONS

2.0 As used throughout this License, the following terms shall have the meanings set forth below:

a) "Operating Year" shall be defined as the period between July 1st of any calendar year and June 30th of the following year.

b) "Licensed Premises" shall mean the area denoted on Exhibit B, that is, Landing Slips numbered 3, 4, and 5, and adjacent walkways located in Battery Park. In the event Licensee is granted any Temporary Use Authorizations for additional, adjacent areas, such areas shall, for the duration

of such Temporary Use Authorization be deemed part of the Licensed Premises and subject to the terms and conditions of this License.

c)i) "Gross Receipts" shall be defined to include all funds received by Licensee without deduction or set-off of any kind, from the sale of ferry tickets, whether at individual, charter, or group rates, merchandise or services of any kind, resulting directly or indirectly from Licensee's use of the Licensed Premises, provided that Gross Receipts shall exclude the amount of any federal, state or city taxes which may now or hereafter be imposed upon or be required to be paid by Licensee as against its sales. Gross Receipts shall include any orders, placed or made directly or indirectly at Licensed Premises, although delivery of merchandise or services may be made outside, or away from the premises, and shall include all receipts for services to be rendered or orders taken at the Licensed Premises for services to be rendered outside thereof.

All sales made or services rendered directly or indirectly from Licensed Premises shall be construed as made and completed therein even though payment therefor may be made at some other place, and although delivery of merchandise sold or services rendered directly or indirectly upon Licensed Premises may be made other than at Licensed Premises.

ii) Gross Receipts shall also include all sales made by any other operator or operators using the Licensed Premises, under the control of Licensee, provided that in the event that the use of vending machines on the Licensed Premises for the sale of food, drink, and other items is approved by Parks, Licensee's net receipts only from such vending machines shall be included in Gross Receipts, and provided further that Gross Receipts shall include Licensee's net receipts only from rental, sublicense fees, or subcontracting fees in connection with all services provided by Licensee's subcontractors, including independent contractors, if any.

iii) Gross Receipts shall include sales made for cash or credit (credit sales shall be included in gross receipts as of the date of the sale) regardless of whether the sales are paid or uncollected, it being the distinct intention and agreement of the parties that all sums received by Licensee from all sources from the operation of this License Agreement shall be included in Gross Receipts, provided however that any gratuities transmitted by Licensee directly or indirectly to employees and staff shall not be included within Gross Receipts. Licensee shall provide sufficient documentation to prove that such gratuities were paid to employees and staff in addition to their regular salaries.

ARTICLE III
TERM OF LICENSE

3.0 This License shall become effective upon full execution by the parties. This License shall be for an operating term of twelve (12) years, commencing upon full execution by the parties ("Commencement Date").

3.1 This License is terminable at will by the Commissioner in her sole and absolute discretion at any time she deems it to be in the best interest of the City. Such termination shall be effective after thirty (30) days written notice to Licensee. The Commissioner, the City, its employees and agents shall not be liable for damages to Licensee in the event that this License is terminated by Commissioner as provided for herein. In the event such notice is not given this License shall terminate no later than twelve (12) years following such Commencement Date.

ARTICLE IV
PAYMENT TO CITY

4.0 Licensee shall pay to City Annual License Fees ("Annual License Fees") for each Operating Year, consisting of the higher of the Minimum Annual Fee ("Minimum Annual Fee"), which shall be Three Hundred Thousand (\$300,000.00) dollars, versus

the annual percentage of gross receipts derived from the operation of this license, which shall be seven percent (7%).

4.1 a) Licensee shall submit payments to City on a monthly basis ("Minimum Monthly Fee") on or before the tenth day of each month, which payments shall consist of one-twelfth (1/12) of the Minimum Annual Fee (that is, Twenty-five thousand (\$25,000.00) dollars) or 7% of Licensee's the gross receipts, as defined herein, for the previous month, whichever is greater.

b) In any month during which ferry service to Liberty Island or Ellis Island Service cannot be operated for a substantial period of time (which shall be determined by Parks based on all the relevant circumstances) due to a) an order of suspension by the National Park Service or b) fire, water conditions, tornado, explosion, windstorm, strike, riot or other cause not within the control of Licensee, Licensee may request, in writing, from Parks an abatement of the Minimum Monthly Fee payable in such month. Parks shall promptly review such request. The determination of the Commissioner regarding any such request shall be final.

4.2 Licensee shall provide to Parks forty-five (45) days after the end of each Operating Year, an annual statement, in auditable form, certified and signed by an officer of Licensee, of the preceding Operating Year's Gross Receipts broken down

into the following categories:

- a) excursion ferry tickets for service from Battery Park only;
- b) charter service for service from Battery Park only;
- c) all other revenue

Licensee must indicate whether or not these amounts are inclusive of sales tax collected.

4.3. Licensee shall keep books and records as set forth in Article IV of the General Provisions, annexed hereto as Exhibit A, and shall institute a revenue control system acceptable to Commissioner.

4.4 In the event Parks determines that Licensee or his/her employees, agents, sublicensees, or subcontractors have breached sections 4.1 through 4.3, hereinabove and sections 6.2 through 6.7, herein, Licensee may be subject to a charge of \$100.00 in the nature of liquidated damages with respect to each incident of such breach provided that Licensee has been given reasonable notice of such breach and has willfully failed to cure within thirty (30) days of such notice.

4.5 License fees to Parks, shall be made payable to the City of New York at the Arsenal, Central Park, New York, New

York, 10021, Attn. Revenue Division.

ARTICLE V

UTILITIES

5.0 Licensee, at its sole cost and expense, shall install or cause to be installed, and maintain all utility lines, meters and supplies of power necessary for the proper operation of this license as described herein. Utilities may include, but shall not be limited to electricity, gas, heat, coolant, water and sewer. Parks does not make representation or warranty that existing cables, meters, or supplies of power are adequate for Licensee's needs or that any entity can or will make such service available.

5.1 Licensee shall not undertake the installation of any utilitylines, meters, or suppliers of power as described in section 6.0 hereinabove, without having first obtained all necessary permits and approvals.

5.2 Licensee shall be responsible for payment of all utility costs incurred during the term of its license.

ARTICLE VI

OPERATIONS

6.0 Licensee, at its sole cost and expense, shall operate this License for the accommodation of the public during such seasons and times of day, in such manner as the Commissioner reasonably shall prescribe and as permitted by Federal, State, and City, laws, rules, regulations and orders. Licensee shall have the right to use the Licensed Premises to:

- a) Provide, program and manage the landing and docking facilities located on the Licensed Premises in accordance with a schedule of sailing as set forth in Exhibit C, attached hereto and made a part hereof. The schedule of sailing must be approved in writing by the Commissioner and may be modified from time to time if approved in writing by the Commissioner.

- b) Maintain entire Licensed Premises

6.1 Licensee agrees to operate this License for the accommodation of the public daily, except Christmas Day, on a year round basis, at such times of day and, in such manner as the Commissioner reasonably shall prescribe in writing. In regulating the hours of operation, the Commissioner may consider hours of

operation of other similar Park's facilities the nature of the community and the environs of the concession, the rules and regulations of Parks' operations, the public health and safety, and other similar considerations.

6.2 Licensee shall order and pay for all transportation tickets which shall be numbered consecutively and shall provide to Parks a certified copy of Licensee's order and receipt therefor and a certified statement of the number of tickets printed and delivered to Licensee. These certified copies must be delivered to Commissioner prior to the distribution of tickets.

6.3 Licensee at its sole cost and expense, shall obtain all licenses and permits that may be required to operate the License.

6.4 Licensee shall collect charges for:

- a) excursion ferry service;
- b) charter service;
- c) any other services approved by Commissioner;

6.5 Attached hereto as Exhibit C is the approved Schedule of Sailings for the 1992-93 Operating Year. Licensee shall notify Commissioner promptly of any permanent changes to said schedule. Such changes shall be subject to Commissioner's approval.

6.6 Licensee shall obtain equipment which will provide security for all monies received. Licensee shall provide for the transfer of all monies collected to the bank. If any funds derived from operations under this license are either determined as counterfeit currency or are stolen from Licensee, such loss shall be borne solely by Licensee.

6.7 Licensee at its sole cost and expense, shall print, frame, prominently display in a place and manner designated by Commissioner, the approved schedule of:

- (a) excursion ferry service;
- (b) charter service;
- (c) any other services.

6.8 Licensee shall personally operate said License or employ an operations manager satisfactory to Commissioner. The designated manager must be available by telephone during all hours of operation. Licensee shall replace any manager, employee, subcontractor or sublicensee whenever reasonably demanded by Commissioner.

6.9 Licensee, at its sole cost and expense, shall provide a sufficient number of uniformed attendants on duty at the Licensed Premises for the proper operation of this License. The uniform shall be of a color and design approved by Commissioner and all employees shall wear name tags with their names legibly printed

thereon. Licensee, at its sole cost and expense, shall provide, hire, train and supervise all personnel necessary for the proper operation of this License, including but not limited to:

- (a) the collecting of all monies;
- (b) the maintaining of the Licensed premises;
- (c) the conduct and supervision of all activities to be engaged in upon the Licensed Premises; and

6.10 Licensee shall prepare and provide to Parks, reports of major accidents occurring on the Licensed Premises. Licensee shall promptly notify Parks, in writing, of any claim for injury, death, property damage or theft which shall be asserted against Licensee with respect to the Licensed Premises. Licensee shall also designate a person to handle all such claims, including all insured claims for loss or damage pertaining to the operations of the Licensed Premises and Licensee shall notify Parks in writing, as to said person's name and address.

6.11 Licensee shall promptly notify Parks' personnel of any unusual conditions that may develop in the course of the operation of this License such as, but not limited to, fire, flood, casualty or substantial damage of any character.

6.12 Licensee shall maintain close liaison with the Parks Enforcement Patrol and New York City Police and cooperate with all efforts to remove illegal vendors from the Licensed and

surrounding Premises.

6.13 Licensee may establish an appropriate advertising and promotion program. Licensee shall have the right, subject to the prior approval of the Commissioner, to print or to arrange for the printing of programs for events containing any advertising matter except advertising matter which is indecent, or in obvious bad taste, or which demonstrates a lack of respect for public morals or conduct.

6.14 Any sign permanently posted at the Licensed Premises, or any advertisement used in connection with such facility, shall be appropriately located and shall state that they are New York City Municipal concessions operated by Circle Line Statue of Liberty Ferry, Inc.

6.15 Licensee, throughout the Licensed Premises, shall post such signs as may be necessary to direct patrons to its facilities within the Licensed Premises. Such signs shall include the necessary wording and arrows to direct patrons to Licensee's attendants. It is expressly understood that if Licensee contemplates placing any signs off-site, such as on nearby highways or streets, for the purpose of directing patrons to the Recreation Facility, or for any purpose, it shall be Licensee's responsibility to obtain any necessary approvals or permits from

any governmental agency having jurisdiction over such highways, streets or locations. The design and content of all signs, whether on or off Parks' property, are subject to Commissioner's prior approval.

ARTICLE VII

MAINTENANCE, SANITATION AND REPAIRS

7.0 During the term of this License, Licensee at its sole cost and expense and to the reasonable satisfaction of Commissioner, shall put, keep, repair, preserve in good order Licensed Premises, as defined in Article II herein. Licensee shall at all times keep Licensed Premises clean, litter free, and neat. Licensee shall provide regular cleaning and maintenance services for Licensed Premises.

7.1 During the term of this License, Licensee shall maintain and repair the Licensed Premises in accordance with the standards set forth in this Agreement, including but not limited to repair and replacement of damaged piles, wales and chocks. All such maintenance and repair shall be performed by Licensee in a good and workmanlike manner. To secure Licensee's obligation to maintain and repair the Licensed Premises Licensee shall provide Parks with a Security Deposit as provided for in Article VI of the General Provisions, annexed hereto as Exhibit A.

7.2 Attached to this License is Exhibit B, a map of the Licensed Premises as defined in Article II herein, and adjacent areas setting, forth the areas which are the maintenance responsibility of Licensee.

7.3 Licensee, at its sole cost and expense and to the reasonable satisfaction of Commissioner, shall provide (and replace if necessary), all equipment and utility connections necessary for the operation of this license, and put, keep, repair, preserve and maintain in good order all equipment and utility connections found on, placed in, installed in or affixed to Licensed Premises. Licensee shall provide regular maintenance contracts for all utility connections, equipment and mechanical systems and follow maintenance schedules suggested by the manufacturers for all utility connections, equipment and mechanical systems.

7.4 At the expiration or sooner termination of this License, Licensee shall turn over to Parks the Licensed Premises which consists of Landing Slips, well maintained, in good repair, ordinary wear and tear excepted, together with the adjacent walkways to the extent described in Paragraph 2.0(b) herein.

ARTICLE VIII

APPROVALS

8.0 Licensee is solely responsible for obtaining all government approvals, permits and licenses required by Federal, State and

City laws, regulations, rules and orders to fulfill this License.

8.1 Whenever any act, consent, approval or permission is required of City or Commissioner under this license, the same shall be valid only if it is, in each instance, in writing and signed by Commissioner or her duly authorized representative. No variance, alteration, amendment, or modification of this instrument shall be valid or binding upon City, Commissioner or their agents, unless the same is, in each instance, in writing and duly signed by the Commissioner or her duly authorized representative.

ARTICLE IX

ASSIGNMENTS AND SUBLICENSES

9.0 Notwithstanding anything contained in this License Agreement to the contrary, Licensee may assign its interest in this License Agreement subject to the following conditions:

a) No assignment of this License shall be permitted which, alone or in combination with other prior or simultaneous transfers or assignments, would have the effect of changing the ownership or control, whether direct or indirect, of more than forty-nine percent (49%) of stock or voting control of Licensee in the Licensed Premises without the prior written consent of Commissioner. Licensee shall present to Commissioner the

assignment or sublicense agreement for approval, together with any and all information as may be required by the City for such approval, including a prepared statement by a certified public accountant indicating that the proposed assignee or sublicensee has a financial net worth satisfactory to Commissioner, together with a certification of its intention to continue the management and operation of the Licensed Premises in accordance with the provisions of this License. The constraints contained herein are intended to assure the City that the Licensed Premises are operated by persons, firms and corporations which are experienced and reputable operators and are not intended to diminish Licensee's interest in the Licensed Premises or to create any rights to payment as a condition of the granting of any required consent or approval.

(b) As used in this Article IX the term "assignment" shall be deemed to include any direct or indirect assignment, sublet, sale, pledge, mortgage, transfer of or change in more than 49% in stock or voting control of the Licensee, including any transfer by operation of law. No sale or transfer of the stock owned by Licensee or its nominee may be made under any circumstance if such sale will result in a change of control violative of the intent of this Section.

9.1 Should Licensee choose to assign or sublicense the management and operation of any element of the Recreation facility to another party, Licensee must first obtain the

approval of Parks. Additionally, Parks shall have the right to be a signatory to any sublicense or assignment agreement Parks may, without prejudice veto any provisions in such sublicense or assignment agreement, whether it exercises its option to be a signatory to such agreement or not.

9.2 No consent to or approval of any assignment or sublicensee granted pursuant to this Article IX shall constitute consent to or approval of any subsequent assignment or sublicense.

9.3 Failure to comply with this provision shall cause the immediate termination of this license.

ARTICLE X

PARKS CONSTRUCTION

10.0 Parks reserves the right to undertake construction on or through the Licensed Premises during the term of this License, Provided that any such construction shall not unreasonably interfere with Licensee's operations hereunder. Licensee agrees to accommodate any such construction and provide security and public access through the Licensed Premises as deemed necessary by the Commissioner.

ARTICLE XI

GENERAL PROVISIONS INCORPORATED HEREIN

11.0 The General Provisions annexed hereto as Exhibit A are hereby incorporated herein. In the event that there is any conflict between the General Provisions and this License Agreement, the language of this License Agreement shall control.

IN WITNESS WHEREOF, the parties hereto have caused this License to be signed and sealed on the day and year first above written.

CITY OF NEW YORK
PARKS & RECREATION

BY: Betsy Gotbaum
Betsy Gotbaum, Commissioner

Dated: Dec 8, 1992

Circle Line Statue of Liberty Ferry,
Inc.

BY: Beverly B. Kessenich
BEVERLY BARRY KESSENICH VICE President
Print Name and Title

Dated: NOV 24, 1992

APPROVED AS TO FORM;
~~CERTIFIED AS TO LEGAL AUTHORITY~~

[Signature]

ACTING CORPORATION COUNSEL

STATE OF NEW YORK)

ss:

COUNTY OF NEW YORK)

On this 8th day of December, 1992 before me personally came Betsy Gotbaum to me known, and known to be the Commissioner of the Department of Parks and Recreation of the City of New York, and the said person described in and who executed the forgoing instrument and she acknowledged that she executed the same in her official capacity and for the purpose mentioned therein.

Elizabeth B. Okin
Notary Public

ELIZABETH B. OKIN
Notary Public, State of New York
No. 31-4936143
Qualified in New York County 274
Commission Expires June 13, 1994

STATE OF NEW YORK)

ss:

COUNTY OF NEW YORK)

On this 27th day of November, 1992 before me personally came BEVERLY B. KESSENICK, who, being duly sworn by me did depose and say that he resides at 930 PARK AVE NYC and that she is the President of the corporation described in and who executed the foregoing instrument and she acknowledged that the executed the same in his official capacity and for the purposes mentioned therein.

FRANCISCO GUEVARA
Notary Public, State of New York
No. 31-4936143 Qual. in Queens Co.
Qualified in New York County
Commission Expires June 4, 1994

Francisco Guevara
Notary Public

Francisco Guevara

Apr 27 04 04:08p

P. 2



City of New York

Department of Parks & Recreation - Revenue Division

Permit

<u>PERMITTEE NAME & ADDRESS</u>	<u>TELEPHONE</u>	<u>CELLULAR</u>
Mr. Kevin Moran Circle Line-Statue of Liberty Ferry, Inc. 17 Battery Place, Suite 715 New York, NY 10004-1101	(212) 309-0808	<u>CONTACT</u>
	<u>BUSINESS</u>	Kevin Moran
<u>DESCRIPTION OF CONCESSION/EVENT</u>		
Operation and Maintenance for the purpose of embarking and discharging passengers in the operation of passenger ferries on a regular schedule between Battery Park, Liberty Island and Ellis Island, and for the purpose of embarking and discharging passengers of vessels on sightseeing cruises, other ferry operations and day and night charters of vessels, owned, operated or chartered by the Licensee at landing slips numbered 3, 4, and 5, and adjacent walkways located in Battery Park, Manhattan		
<u>PARK/LOCATION IN PARK</u>	<u>BOROUGH</u> Manhattan	
Landing slips numbered 3, 4, and 5, and adjacent walkways located in Battery Park, Manhattan.	<u>PERMIT #</u> M5-E-M	
<u>EFFECTIVE DATE:</u> May 1, 2004	<u>EXPIRATION DATE:</u> March 31, 2007	
<u>FEE AND PAYMENT TERMS</u>		
Year One: \$500,000 versus 7.25% of gross receipts Year Two: \$500,000 versus 7.25% of gross receipts Year Three: \$500,000 versus 7.25% of gross receipts (Please see payment schedule in attached letter.)		
<u>INSURANCE REQUIREMENT:</u>	<u>BROKER</u>	
Please see "Other Terms and Conditions" below		
<u>SECURITY DEPOSIT</u>	<u>IC NUMBER & DATE RECEIVED</u>	
\$50,000.00 (already held by Parks)		
<u>OTHER TERMS & CONDITIONS</u>		
Aside from the fee payment structure that is cited in the attachment and the new effective and expiration dates listed above, all other terms and conditions of License Agreement #M5-E-M, dated December 8, 1992, attached hereto and incorporated herein, shall apply to this operation. Notwithstanding the foregoing, in addition to the provisions stated in Section 3.1 of the December 8, 1992 License Agreement, the NYC Department of Parks reserves the right to immediately terminate this agreement upon the expiration or sooner termination of Circle Line-Statue of Liberty, Inc.'s contract with the National Park Service.		

TERMS ACCEPTED BY

ISSUED BY

TITLE

DATE

4/27/04



**City of New York
Parks & Recreation**

Adrian Benepe
Commissioner

The Arsenal
Central Park
New York, New York 10021

Joanne G. Imohiosen
Assistant Commissioner
Revenue

(212) 360-3404
joanne.imohiosen@parks.nyc.gov

April 27, 2004

Mr. Kevin Moran
Circle Line-Statue of Liberty Ferry, Inc.
17 Battery Place, Suite 715
New York, NY 10004-1101

RE: Modification of License Agreement between City of New York Department of Parks & Recreation and Circle Line-Statue of Liberty Ferry, Inc. for the Operation and Maintenance of a Commercial Ferry Service in Battery Park, Manhattan (M5-E-M)

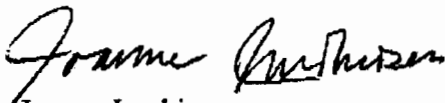
Dear Mr. Moran:

This is to authorize Circle Line-Statue of Liberty Ferry, Inc. to operate and maintain a commercial ferry service for the purpose of embarking and discharging passengers in the operation of passenger ferries on a regular schedule between Battery Park, Liberty Island and Ellis Island, and for the purpose of embarking and discharging passengers of vessels on sightseeing cruises, other ferry operations and day and night charters of vessels, owned, operated or chartered by the Licensee at landing slips numbered 3, 4, and 5, and adjacent walkways located in Battery Park, Manhattan for a three year term commencing on May 1, 2004 and expiring on March 31, 2007.

Aside from the fee payment structure and security deposit requirement that is cited on the following page, and the new effective and expiration dates, *all other terms and conditions of License-Agreement M5-E-M, dated December 8, 1992, shall apply to this operation. In addition to the provisions stated in Section 3.1 of the license agreement, the NYC Department of Parks reserves the right to terminate this agreement upon the expiration or sooner termination of Circle Line-Statue of Liberty, Inc.'s contract with the National Park.*

If you have any questions, please feel free to call Slater Gray, Project Manager for Revenue, at 212-360-3405.

Sincerely,


Joanne Imohiosen

cc: Mike Leonetti, Accounting

FEE PAYMENT SCHEDULE M5-E-M

The fee requirement for License Agreement #M5-E-M from (April 1, 2004 – May 1, 2004 operating under a temporary permit) May 1, 2004 – March 31, 2007 shall be as follows:

\$500,000 versus 7.25% of gross receipts, whichever is greater:

The minimum fee schedule is as follows:

Date Due, Year One	Amount Due
May 10, 2004	\$41,665.00
June 10, 2004	\$41,665.00
July 10, 2004	\$41,665.00
August 10, 2004	\$41,665.00
September 10, 2004	\$41,665.00
October 10, 2004	\$41,665.00
November 10, 2004	\$41,665.00
December 10, 2004	\$41,665.00
January 10, 2005	\$41,665.00
February 10, 2005	\$41,665.00
March 10, 2005	\$41,665.00
April 10, 2005	\$41,685.00
Date Due, Year Two	Amount Due
May 10, 2005	\$41,665.00
June 10, 2005	\$41,665.00
July 10, 2005	\$41,665.00
August 10, 2005	\$41,665.00
September 10, 2005	\$41,665.00
October 10, 2005	\$41,665.00
November 10, 2005	\$41,665.00
December 10, 2005	\$41,665.00
January 10, 2006	\$41,665.00
February 10, 2006	\$41,665.00
March 10, 2006	\$41,665.00
April 10, 2006	\$41,685.00
Date Due, Year Three	Amount Due
April 10, 2006	\$41,665.00
May 10, 2006	\$41,665.00
June 10, 2006	\$41,665.00
July 10, 2006	\$41,665.00
August 10, 2006	\$41,665.00
September 10, 2006	\$41,665.00

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CL Statue Ferry

(212) 425-2215

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October 10, 2006	\$41,665.00
November 10, 2006	\$41,665.00
December 10, 2006	\$41,665.00
January 10, 2007	\$41,665.00
February 10, 2007	\$41,665.00
March 10, 2007	\$41,665.00
April 10, 2007	\$41,665.00


Circle Line-Statue of Liberty Ferry, Inc. shall submit payments to the City on a monthly basis on or before the tenth day of each month, which payments are listed above, or 7.25% of the gross receipts for the previous month, whichever is greater.

SECURITY DEPOSIT:

The security deposit required for this concession is \$50,000. Parks is currently holding this deposit.

Please sign where indicated below, and return the original copy to us for our records.

AGREED TO:


Kevin Moran / President

DATE:

4/27/07



IN REPLY REFER TO:

United States Department of the Interior

NATIONAL PARK SERVICE
Statue of Liberty National Monument
Liberty Island
New York, New York 10004

C-3817

November 13, 2006

Joanne G. Imohiosen
Assistant Commissioner Revenue
City of New York Parks and Recreation
The Arsenal, Central Park
New York, NY 10021


Dear Ms. Imohiosen:

I am writing to request an extension of the City of New York Parks and Recreation's License Agreement with the National Park Service's (NPS) ferry concessioner, Circle Line – Statue of Liberty Ferry to operate landing and docking facilities at Battery Park for ferry services to the Statue of Liberty National Monument and Ellis Island.

The original term of the License Agreement was from April 1, 1992 to March 31, 2004; when Circle Line's concession contract with NPS was extended through March 31, 2007, the License Agreement also was extended. As you are aware from our recent discussions, the NPS intends to issue a Prospectus seeking proposals for a new ferry service concessions operation by the end of December 2006. To avoid an interruption in visitor services to the Statue of Liberty and Ellis Island, it is anticipated that a continuation of services will be authorized for Circle Line until a new concessions contract is in place. We expect a new contract to be in place in the fall of 2007. Extension of the City Parks License Agreement to be coterminous with the continuation of the NPS concessions contract also is needed to avoid an interruption of visitor services.

I would be happy to discuss these issues with you and look forward to continuing collaboration between NPS and the City of New York Parks and Recreation.

Sincerely,


Cynthia R. Garrett
Superintendent

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
NATIONAL PARK SERVICE
STATUE OF LIBERTY NATIONAL MONUMENT AND ELLIS ISLAND
AND
CITY OF NEW YORK DEPARTMENT OF PARKS & RECREATION

Article I. BACKGROUND

This MEMORANDUM OF UNDERSTANDING, hereinafter called AGREEMENT, is entered into by and between the United States Department of the Interior, National Park Service, acting through the Superintendent Statue of Liberty National Monument and Ellis Island, hereinafter referred to as NPS; and, The City of New York, acting through the Department of Parks & Recreation, hereinafter referred to as Parks;

WHEREAS, the Statue of Liberty National Monument and Ellis Island was established by Presidential Proclamation as a symbol to the world of the dreams and aspirations which have drawn millions of immigrants to America; and

WHEREAS, the Statue of Liberty stands as eternal as the symbol of the freedom which has been made a living reality in the United States for men and women of all races, creeds, and national origins who have united in allegiance to the Constitution of the United States and to the imperishable ideals of our free society; and

WHEREAS, the NPS is responsible for the administration of the Statue of Liberty National Monument and Ellis Island and the safe transportation of millions of visitors every year who visit Liberty and Ellis Islands; and

WHEREAS, the NPS is currently in the process of developing a prospectus to seek offers for a new contract to operate a ferry concession to transport visitors to Liberty and Ellis Islands; and

WHEREAS, the Parks is responsible for the administration of Battery Park which is the current embarkation point for the Statue of Liberty National Monument and Ellis Island ferry concession; and

WHEREAS, successful conclusion of the process to obtain offers to provide transportation to the Statue of Liberty National Monument and Ellis Island is dependent upon obtaining a license from Parks to operate a ferry service from Battery Park; and

WHEREAS, the Parks desires to facilitate the process of establishing a new NPS ferry concession contract in order to accommodate the millions of visitors who access the Statue of Liberty National Monument and Ellis Island from lower Manhattan.

NOW THEREFORE, in consideration of the mutual covenants herein contained the parties agree as follows:

Article II. RESPONSIBILITIES OF THE PARTIES

A. Parks hereby agrees to seek the approval required by applicable City laws, rules and regulations to grant a (10) ten year term license to operate a ferry service for the transportation of passengers between Battery Park and Liberty and Ellis Islands to the party which is designated by the NPS to provide such service and enters into a concession contract with the NPS. It is anticipated that the said license shall require similar responsibilities as the license attached hereto as Exhibit A, and the fee for said license payable to Parks is projected to require an annual payment of either a \$2,000,000 minimum annual fee or 8% of the Concessioner's gross revenues from ticket sales for embarkation from Battery Park for the first five years of the concession contract and for the next five years 8 1/2% percent

of the gross revenues from ticket sales for embarkation from Battery Park, whichever is higher; provided, however, that in the event of any suspension of ferry operations by force majeure or other circumstance beyond the control of the Concessioner, the minimum annual fee due to Parks shall be reduced pro rata. Subject to all necessary approvals, the term of said license shall be coterminous with the period for which the ferry concession operator is authorized to provide ferry service from the Parks docks at Battery Park by the NPS. Parks acknowledges that during the course of this contract, the NPS may require the Concessioner to move to another location terminating its license with Parks. Subject to the necessary approvals, said license will provide that should NPS require the Concessioner to terminate said license in order to move to another location and to enter into a similar license for those facilities and after formal notification by NPS to Parks documenting such directive to the Concessioner, Parks will agree to not pursue any claims for lost revenues related to such early termination of said license.

B. The NPS shall provide Parks with one hundred (100) days advance written notice of the date when the new ferry concession contract becomes effective. If the license can not be executed in this time, Parks will issue a temporary license under the terms described in Article II A to the party which is designated by the NPS to provide ferry service and enters into a concession contract with the NPS.

Article III. TERM OF AGREEMENT

Unless sooner terminated, this AGREEMENT shall be effective upon execution by both parties and shall remain in effect for ten (10) years from that date.

Article IV. KEY OFFICIALS/PERSONS

For the National Park Service:

Cynthia R. Garrett
Superintendent, Statue of Liberty National Monument and Ellis Island
Liberty Island
New York, NY 10004

For Parks:

Joanne G. Imohiosen
Assistant Commissioner Revenue
City of New York Parks & Recreation
The Arsenal, Central Park
New York, NY. 10021

Article V. GENERAL PROVISIONS

1. All obligations of the NPS hereunder are subject to the laws and regulations applicable to the NPS. The NPS shall have no obligation to reimburse the Parks for any services rendered pursuant to this AGREEMENT.

2. No member of, or delegate to, Congress, or resident commissioner, shall be admitted to any share or part of this AGREEMENT, or to any benefit that may arise therefrom.

3. This Agreement and the obligations of the NPS hereunder shall be subject to the availability of funding, and nothing contained herein shall be construed as binding the NPS to expend in any one fiscal year any sum in excess of appropriations made by Congress or administratively allocated for the purpose of this Agreement for the fiscal year, or to involve the NPS in any contract or other obligation for the further expenditure of money in excess of such appropriations or allocations.

IN WITNESS WHEREOF, the parties hereto have hereunder subscribed their names.

Dated at New York, New York, this 13th day of Dec, 2006.

UNITED STATES DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE

By: Cynthia R. Garrett
Cynthia R. Garrett, Superintendent
Statue of Liberty National Monument

CITY OF NEW YORK, DEPARTMENT OF PARKS & RECREATION

By: Joanne G. Imohiosen
Joanne G. Imohiosen, Assistant Commissioner Revenue
City of New York Parks & Recreation